

MINUTES

**California Industrial Development
Financing Advisory Commission
915 Capitol Mall, Room 587
Sacramento, California
July 23, 2008**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Acting Chair, called the California Industrial Development Financing Advisory Commission (CIDFAC) meeting to order at 10:34 a.m.

Members Present: Bettina Redway for Chairman Bill Lockyer, State Treasurer
Anne Sheehan for Michael C. Genest, Director, Department of Finance
Les Kleinberg for John Chiang, State Controller
Preston DuFauchard, California Corporations Commissioner, Department
of Corporations
Stanton Hazelroth for Dale Bonner, Agency Secretary, Business
Transportation and Housing Agency

Staff Present: Tom Dresslar, Executive Director
Eileen Marxen, Deputy Executive Director

Quorum: The Acting Chair declared a quorum.

2. APPROVAL OF JUNE 25, 2008 MEETING MINUTES

Ms. Redway asked if there were any comments from the board members or the public on the June 25, 2008 meeting minutes. There were none.

Anne Sheehan moved to approve the item. Upon a second, the minutes were approved.

3. EXECUTIVE DIRECTOR'S REPORT

Tom Dresslar began his report by stating that the Commission will hear a request for approval and allocation for a good project at this meeting. He stated that, upon conclusion of this meeting, CIDFAC will have approximately \$30.3 remaining in the IDB pool, and that staff is in the process of gathering information on a projected IDB pipeline for fall 2008. He asked Eileen Marxen to provide an update on pending federal legislation that is anticipated to affect IDBs if signed into law.

Ms. Marxen reported that there are two bills pending in Congress that contain provisions that will affect IDBs, one of which would expand the definition of 'manufacturing facility' and one of which would permit the Federal Home Loan Banks (FHLBs) to offer credit enhancement for IDBs. She said that, based upon information exchanged in a conference call the prior week conducted by the Council for Development Finance Agencies (CDFA), CDFA staff and lobbyists believe the legislation to change the definition of 'manufacturing facility' is gaining additional bi-

partisan support in the Senate and is getting interest in the House of Representatives. She stated that CDFA's goal is to have a companion bill introduced in the House, and that Congressman Becerra from the Los Angeles area seems very interested in the proposal and may co-sponsor the bill on the House side. She stated that Congress has recessed until August and will return in September for the last three or four weeks of the session. The manufacturing definition legislation likely won't move until next year, given the calendar. On the other hand, she stated, the housing bill which contains the FHLB provision appears to be on a clearer path as the President has backed down on his veto threat and the House is expected to pass the bill today.

Ms. Sheehan asked if the estimates that California will receive one billion for housing are correct.

Ms. Marxen apologized for the fact that she is not tracking the housing provisions of the bill but stated she is aware that the bill will provide additional allocation directly for housing.

Mr. DuFauchard commented that he has been looking at certain parts of the bill related to Department of Corporation's mission, and that he is aware of the same estimate of one billion.

Ms. Sheehan commented that the bill provides for additional tax-exempt allocation for housing, and she is curious about the actual amount that will be available to California. She said she has heard estimates that the amount available to California will be one billion.

Ms. Redway asked if the billion dollar figure is slated for new single family homes.

Mr. Dufauchard stated that he understands that the bill also provides allocation for refinancing as well as for first time home buyers.

4. BUSINESS ITEMS

A. REQUEST TO APPROVE INITIAL AND FINAL RESOLUTION FOR TAX-EXEMPT BONDS AND REQUEST FOR TAX-EXEMPT BOND ALLOCATION

Staff introduced Pernell Sullivan, California Enterprise Development Authority (CEDA), Dan Bronfman, Growth Capital Associates, and Mike Sarina, Chief Financial Officer, JBR, Inc.

- 1) On behalf of the Borrower, Rogers Family Real Estate Partnership, LP, JBR Inc., and/or an established or yet to be established related or affiliated entity, and the User, JBR, Inc. and/or established or yet to be established related or affiliated entity, the California Enterprise Development Authority (CEDA) requested approval of the Initial and Final Resolution No. 08-0012 for an amount equal to \$10,000,000 in tax-exempt bonds and Allocation Resolution No. 08-0012A for an amount equal to \$10,000,000 in tax-exempt IDB allocation. Bond proceeds will be used for the acquisition of land and an existing building and the acquisition and installation of equipment. Presented by Deanna Hamelin.**

Ms. Redway asked if there were further comments from the board.

Ms. Sheehan inquired about the impact that the geographic distance would have on the distribution of the company's product. She added that San Leandro seems to have more access to trains and trucks.

Ms. Sarina replied that JBR, Inc. primarily ships by truck and does distribute its product nationwide, primarily to Costco. He stated that Costco picks up and handles its own freight. He stated that the new location will provide access to the I-80 corridor and to I-5, and therefore the company does not believe the change in location will have a negative affect on the distribution of its products.

Stan Hazelroth asked if the Company did any out- of -country shipping.

Mr. Sarina replied that the JBR, Inc. has a subsidiary company in the United Kingdom which sells its Hawaiian coffee and that other sales outside the United States are primarily internet-based sales.

Mr. Hazelroth commented that JBR, Inc. might want to talk to the Port of Sacramento about access to shipping there.

Mr. Sarina replied that he would like to be able to ship into the Port of Sacramento but it would have to have water deep enough for the types of container ships that carry its company's supplies.

Mr. DuFauchard asked Mr. Sarina about the affects of the new location on the company's access to its suppliers.

Mr. Sarina stated that the coffee comes in 40,000 lb shipping containers, and that there will be additional costs to the company to transport these containers from the Oakland port to the new location.

Ms. Redway asked if there were any further questions or comments from the board members or the public. There were none.

Ms. Sheehan moved approval. Upon a second, the motion was unanimously approved.

5. PUBLIC COMMENT

Ms. Redway asked for public comments. There were none.

6. ADJOURNMENT

There being no further business, the meeting adjourned at 10:44 a.m.

Respectfully submitted,

Tom Dresslar
Executive Director